

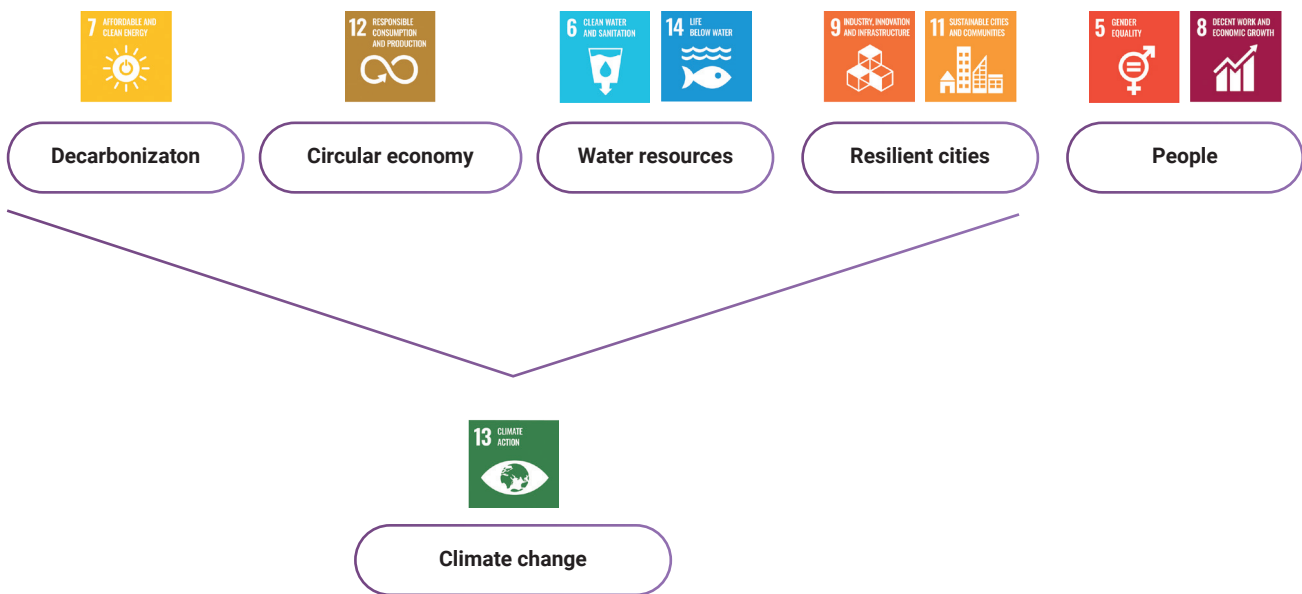
Strategic plan

[GRI 2-22, 3-3]

The growth strategy, approved by the Board of Directors, is consistent with the Group’s mission and vision and the **main macro-trends** of the sector described above.

The Strategic Plan to 2030, is based on **three pillars**: the **green transition** with a progressive decarbonization of all activities and the strengthening of leadership both in the circular economy and in the sustainable use of resources; **local presence** with an extension of the perimeter in the historical territories and the evolution as a reference partner for the communities by expanding the portfolio of services offered; **quality** through the improvement of performance and the maximisation of customer/citizen satisfaction levels.












The **industrial strategy integrates the sustainability strategy** that defines precise medium- and long-term targets and is divided into the following **5 focus areas**










The year 2023 confirmed the **resilience of the business model** of Iren Group, even in the context of high uncertainty that characterised the year, which will be further strengthened by the investments planned to support the various businesses and, in particular, by the significant share of investments allocated to the achievement of sustainability objectives.

The integration of sustainability in the Strategic Plan and in the drivers of capital allocation, with a **time horizon up to 2030**, helps define the role that Iren Group intends to play for a development consistent with European policies and the challenges emerging from the context.

The objectives and targets of Iren Group's medium- and long-term Business Plan are summarised below.

Areas of development	Target		SDGs
	2026	2030	
VALUE			
Cumulative Investments from 2023	4.9 billion Euro	10.5 billion Euro	
Portion of sustainable investments		80%	
EBITDA	1,450 million Euro	1,870 million Euro	
NFP/Ebitda ratio	3.2x	2.7x	
Net profit	330 million Euro	460 million Euro	
GREEN TRANSITION			
Decarbonization			
Installed power from renewable sources	1.3 GW	3.4 GW	
Power generation carbon intensity (scope 1)	298 gCO ₂ /kWh	176 gCO ₂ /kWh	
Renewable electricity purchased (scope 2)	95%	100%	 
Reduction of scope 3 emissions (compared to 2020) deriving from:			
• use of products sold (gas)		-25%	
• fuel and energy related activities		-13%	
Energy saving in production processes	1,100 TOE/000	1,740 TOE/000	
Emissions avoided from waste recovery	1,740 tCO _{2eq} /000	2,290 tCO _{2eq} /000	
Circular economy			
Sorted waste collection in legacy regions	74.6%	76.2%	
Waste recovered in Group plants	1,670 t/000	2,310 t/000	 
Biomethane from biodegradable waste	34 million m ³	44 million m ³	
Reuse of wastewater	10 million m ³	20 million m ³	
Water resources			
Wastewater treatment capacity	3,850 A.E./000	3,970 A.E./000	 
Water withdrawals from the environment	265 l/inhabitant/day	261 l/inhabitant/day	
Water network leaks	26.5%	20.0%	
District subdivision of water distribution networks	77%	90%	
Resilient cities			
Volumes served by urban district heating	105 million m ³	116 million m ³	 
Eco-vehicles out of total	32%	67%	
Green electricity sold to retail customers	2,500 GWh	3,500 GWh	
Energy saving from Group products/services	500 TOE/000	700 TOE/000	

Areas of development	Target		SDGs
	2026	2030	
LOCAL PRESENCE			
Portion of investments in the territory out of total		95%	
Expansion of local presence			
Inhabitants served district heating	0.65 million	0.7 million	 
Inhabitants served waste collection	5.0 million	5.5 million	
Inhabitants served integrated water service	4.3 million	4.8 million	
E-mobility			
Public/semipublic electric charging columns		4,000	
Electric charging wallboxes installed for private individuals	14,000	60,000	
Energy efficiency and urban requalification			
Energy communities - installed power	150 MW	400 MW	
SERVICE QUALITY			
2G electric smart meters installed		100%	
Gas smart meters installed		100%	 
Insourcing of customer operations key activities		75%	
Network of counters/shops (compared to 2020)		+80%	
Penetration on sale of Iren Plus service platform		39%	
PEOPLE			
Employment, development and skills enhancement			
New hires (cumulative from 2020)	+2,900	+4,000	
Training hours per capita	27	30	
Employees evaluated on performance ⁽¹⁾	100%	100%	
Diversity & Inclusion			
Women in managerial roles	26.5%	30.0%	 
Hires under 30 out of total hires ⁽²⁾	70%	75%	
Welfare and personal care			
Injury incidence rate	43	42	
Employees with supplementary health care	93%	95%	

⁽¹⁾ Out of eligible population: Managers, Junior Managers and white-collar employees in service for more than 6 months in the year.

⁽²⁾ Progressive percentage on cumulative recruitment from 2020 onwards on a permanent basis and independent of contract takeovers and internalisations

Monitoring and reporting

Iren undertakes to manage and measure its performance, considering economic, environmental, and social aspects in defining strategic objectives and reporting of its activities. An approach aimed at the complete integration of sustainability in the strategic business choices.

To this end, the Group has structured an internal system for quarterly monitoring of sustainability performance, which enables it to make the analyses and management decisions necessary to ensure that the objectives of the Strategic Plan are achieved, and has integrated sustainability objectives into the Group's remuneration system » SEE PAGE 77.

The Sustainability Report is also a tool for communicating and monitoring the adherence of operations to the strategy and, precisely with this objective, it reports the progress made towards achieving the targets set by the Group Business Plan.



Progress toward goals

[GRI 2-22, 3-3]

The following are the results achieved in 2023 towards the achievement of the objectives set out in Iren Group's Business Plan.

Areas of development	2023 Results	2030 Objectives
VALUE		
	1.3 billion Euro of gross investments ⁽¹⁾	10.5 billion Euro of cumulative gross investments from 2023 ⁽¹⁾
	79% sustainable investments in the year	80% sustainable investments over the plan
	Ebitda at 1,197 million Euro	Ebitda at 1,870 million Euro
	NFP/Ebitda ratio 3.3x	NFP/Ebitda ratio 2.7x
	255 million Euro net profit	460 million Euro net profit
GREEN TRANSITION		
	0.8 GW of installed power from renewable sources	3.4 GW of installed power from renewable sources
	337 gCO ₂ /kWh carbon intensity of energy production (scope 1)	176 gCO ₂ /kWh carbon intensity of energy production (scope 1)
	0.6% renewable electricity purchased (scope 2 emissions)	100% renewable electricity purchased (scope 2 emissions)
Decarbonization	-16% scope 3 emissions from use of products sold (gas distributed)	-25% scope 3 emissions from use of products sold (gas distributed)
	-11% scope 3 emissions from fuel and energy related activities	-13% scope 3 emissions from fuel and energy related activities
	770,000 TOE saved from production processes	1,740,000 TOE saved from production processes
	1,420,000 tCO _{2eq} avoided through waste recovery	2,290,000 tCO _{2eq} avoided through waste recovery
	71% sorted waste collection in legacy regions	76.2% sorted waste collection in legacy regions
Circular economy	937,000 t waste sent for material recovery in Group facilities	2,310,000 t waste sent for material recovery in Group facilities
	9 million m ³ of biomethane produced from biodegradable waste	44 million m ³ of biomethane produced from biodegradable waste
	6 million m ³ of purified wastewater reused	20 million m ³ of purified wastewater reused
	260 litres/inhabitant/day of water withdrawal from the environment	261 litres/inhabitant/day of water withdrawal from the environment
Water resources	30.4% water distribution network leaks (historical territories)	20% water distribution network leaks (historical territories)
	66.8% of water networks divided into districts	90% of water networks divided into districts
	3,675,000 inhabitants equivalent of wastewater treatment capacity	3,970,000 inhabitants equivalent of wastewater treatment capacity

⁽¹⁾ Including work for customers carried out by Iren Smart Solutions

Areas of development	2023 Results	2030 Objectives
GREEN TRANSITION		
Resilient cities	101 million m ³ of district heating volumes	116 million m ³ of district heating volumes
	20% eco-vehicles on total fleet	67% eco-vehicles on total fleet
	1,755 GWh of green electricity sold to retail customers	3,500 GWh of green electricity sold to retail customers
	367,000 TOE saved by Group products/services to customers	700,000 TOE saved by Group products/services to customers
LOCAL PRESENCE		
	96% investments in the legacy regions	95% investments in the legacy regions
	0.6 million inhabitants served by district heating	0.7 million inhabitants served by district heating
	3.8 million inhabitants served by waste collection	5.5 million inhabitants served by waste collection
	3.1 million inhabitants served in the integrated water service	4.8 million inhabitants served in the integrated water service
	85 public/semipublic electric charging columns	4,000 public/semipublic electric charging columns
	239 electric charging wallboxes installed for private individuals	60,000 electric charging wallboxes installed for private individuals
	1.3 MW of installed power in energy communities	400 MW of installed power in energy communities
	SERVICE QUALITY	
	41% 2G electric smart meters installed	100% 2G electric smart meters installed
	90% gas smart meters installed	100% gas smart meters installed
	57.4% insourcing of customer operations key activities	75% insourcing of customer operations key activities
	+28% network of counters/shops compared to 2020	+80% network of counters/shops compared to 2020
	33% penetration on sale of Iren Plus service platform	39% penetration on sale of Iren Plus service platform
PEOPLE		
Employment, development and skills enhancement	+3,322 hires compared to 2020	+4,000 hires compared to 2020
	23 training hours per capita	30 training hours per capita
	86% of people evaluated on performance	100% of people evaluated on performance
Diversity & Inclusion	25.1% women in managerial roles	30% women in managerial roles
	57% hired under 30 ⁽¹⁾	75% hired under 30 ⁽¹⁾
Welfare and personal care	45 value of the injury incidence rate	42 value of the injury incidence rate
	72% employees with supplementary health care	95% employees with supplementary health care

⁽¹⁾ Progressive percentage on cumulative recruitment from 2020 onwards on a permanent basis and independent of contract takeovers and internalisations